



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	No. G 04-68
	)	
	)	
American Home Assurance Company	)	
	)	FINDINGS, CONCLUSIONS, AND
National Union Fire Insurance Company	)	
of Pittsburgh	)	ORDER ADOPTING REPORT
	)	
Authorized Foreign Insurers	)	OF
	)	
	)	
	)	MARKET CONDUCT EXAMINATION

**BACKGROUND**

An examination of the market conduct of **American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh** (the Companies) as of December 31, 2002, was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Companies each hold a Washington Certificate of Authority as a Stock Insurer. They are domiciled in New York. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and recommendations was transmitted to the Companies for comments on April 26, 2004. The Companies' response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Companies.

Subject to the right of the Companies to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.



## FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 27 of the report.

## CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **American Home Assurance Company** and **National Union Fire Insurance Company of Pittsburgh**, and to order the Companies to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Companies may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations in the report are appropriate responses to the matters arising from RCWs and WACs found in the examination.

## ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on page 22.

1. The Companies are ordered to comply with RCW 48.05.190(1) to ensure all correspondence and claim settlement checks correctly identify the insuring company. (Instruction 1, Report Page 8)
2. The Companies are ordered to comply with WAC 284-24-100 to ensure that all files eligible for schedule rating are considered. The company will further comply by documenting individual risk modifiers based on factual information that is retained in the file. Additionally the Companies will refund all premium debited for any reason, including terrorism, without supporting documentation. (Instruction 2, Report Page 10)
3. The Companies are ordered to comply with RCW 48.17.060 and RCW 48.17.160 to ensure all agents and brokers are licensed in Washington, and all agents are appointed with the company prior to soliciting business for the company. (Instruction 3, Report Page 9)
4. The Companies are ordered to comply with RCW 48.18.103 and ensure that all forms are filed within 30 days of use. (Instruction 4, Report Page 11)
5. The Companies are ordered to comply with RCW 48.19.040(6) and ensure that all rates used are filed and approved for use. (Instruction 5, Report Page 11)
6. The Companies are ordered to comply with RCW 48.19.043(2) and file all rates within 30 days of use. (Instruction 6, Report Page 11)
7. It is ordered that the company consider correcting conditional binder language to comply with time frames as outlined in RCW 48.18.230(1), and WAC 284-30-560.

(Recommendation 1, Report Page 10)

8. It is ordered that the company consider correcting the claims archiving procedures to ensure that claim files can be located. (Recommendation 2, Report Page 13)

IT IS FURTHER ORDERED THAT, the Companies file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Tumwater, Washington, this 31<sup>st</sup> day of August, 2004.

A handwritten signature in dark ink, appearing to read "Mike Kreidler", is written over the printed name.

MIKE KREIDLER  
Insurance Commissioner